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Tallahassee—Florida Public Counsel Harold McLean announced today that his office has reached an agreement with Gulf Power regarding the company's proposal for recovery of over \$140 million in expenses relating to Hurricane Ivan restoration efforts.

In a stipulation that will be presented to the Florida Public Service Commission for approval, Public Counsel, the Florida Industrial Power User's Group, and Gulf agreed to the institution of a two-year storm surcharge. The storm surcharge will be limited to \$2.71 per month per average residential customer, as well as proportional surcharges to larger customers. Gulf's total losses from the storm were reduced to \$96.5 million through insurance and available storm reserves. This stipulation will yield a reduction of an additional \$44.8 million from the amount in Gulf's requested recovery. In addition, Gulf agreed not to seek any increase in base rates that would become effective until March 1, 2007.

"Gulf Power did an admirable job in restoring power to the citizens of the Panhandle. Our stipulation is designed to appropriately share the risks and costs of catastrophic storm damage between Gulf Power Company and its customers" McLean said.